



## Case Study: House Insurance

### POOR ADMINISTRATION WITH A HOUSE INSURANCE CLAIM

Themes: CIFO awards “exceptional” distress and inconvenience compensation; mishandling of damage claim and repairs

The complaint relates to the handling of a house insurance claim for damages and the inadequate repairs that were completed.

In April, Miss H’s property was damaged by water overflow caused from a ground floor drainage problem. Miss H used known contractors to repair the damage, but the damage was found to be widespread. The insurance company appointed a loss adjuster who assessed the damage and selected a contractor to complete the repairs.

The following February, Miss H contacted the insurance company to complain about the quality of the repairs. The insurance company again appointed a loss adjuster who recommended another repair be done, which was completed 11 months later.

Miss H remained unsatisfied and continued to raise her concerns about the poor repair work with her insurance company. Miss H sought additional compensation for the losses she considered had arisen from the time taken to rectify the mishandling of her complaint.

Miss H referred the complaint to CIFO. Due to the complexity of the case, CIFO sought assistance from an independent claims consultant. This independent expert produced a report with several conclusions favourable to Miss H.

CIFO felt that because of the way the insurance company had previously dealt with the claim, it would be in the best interests of both parties for the insurers to provide Miss H with a cash settlement. Miss H could then engage her own preferred contractors to make the required repairs to her specifications.

CIFO requested the independent expert to provide an estimate upon which to base a cash settlement. CIFO added additional expenses incurred by Miss H for alternative accommodation and storage for household items whilst the repairs were being completed. CIFO also concluded that a distress and inconvenience award at the “exceptional” level of £8,000 was warranted to reflect the significant impact caused by the mishandling of the claim.

CIFO upheld this complaint and awarded total compensation of £26,776.